

QWI Update – NAICS2007 Implementation

Local Employment Dynamics  All About Jobs

BACKGROUND

The 2007 update of the North American Industrial Classification System (NAICS2007) is being implemented during the third quarter (July 1 – September 30) of the 2008 Quarterly Workforce Indicators (QWI) production cycle.

Background about NAICS2007 is available at <http://www.census.gov/epcd/naics07/index.html>, including the 2006 Federal Register notice and the correspondence tables as NAICS2007 is matched to NAICS2002 and vice versa.

NAICS2007 is exactly the same as NAICS2002 for 13 of the 20 sectors. There was restructuring within part of the information sector. Industry changes affect the boundaries of three sectors.

QWI Implementation

The implementation is routine with no major modifications to the algorithm used in the past for other industry variables including SIC, NAICS1997, and NAICS2002.

The algorithm is outlined on pages 28-30 of [LEHD TP-2006-01](#), The LEHD Infrastructure Files and the Creation of the Quarterly Workforce Indicators, which can be found at <http://lehd.did.census.gov/led/library/techpapers/tp-2006-01.pdf>.

There is no major change in methodology, but three modifications may be noted:

1. Another potential source for industry codes is accommodated,
2. Preference given to NAICS2007 when applicable, and
3. Sundry bug fixes were made.

The LEHD TP_200601 technical report will be updated to show three coding systems for NAICS instead of the previous two.

The LED approach is a simple missing-data algorithm, only if the firm (SEIN) did not report a valid NAICS2007 code will the data be adjusted.

The one-to-many issue arises only if a firm is in an affected industry and has never reported a valid NAICS2007 code. In this case, a probabilistic approach using previously reported non-NAICS2007 industry codes will be used.

Contact Information

Please send your questions or comments to CES.Local.Employment.Dynamics@census.gov.